Strategy for Growth

White Paper

Greater Birmingham & Solihull
Local Enterprise Partnership

Contents

Foreword

To borrow (and tweak) a phrase from Albert Einstein, 'we cannot solve today's economic development problems with the same thinking that has got us here in the past'. These words have proved something of a mantra for the Greater Birmingham and Solihull Local Enterprise Partnership Board as we have developed our thinking around its Strategy for Growth.

We are clear that to boost long-term sustainable growth in the UK's economy, city regions need to become more productive and more prosperous. Our aim through the LEP Board is to achieve this in the Greater Birmingham & Solihull area.

Now is the time for us to be bold. We need transformational change that creates opportunities for all; benefitting local people, businesses and the UK as a whole. We have a real opportunity to influence the devolution of power and resources that we must grasp.

We have powerful assets at our disposal with: a £34bn regional economy; a population of almost two million; easy access to a wider labour pool of over four million adults including 97,000 graduates; many of the UK's strongest business and cultural assets; and excellent connections to national and international markets.

We also have a partnership that that has brought together business and political leaders with a shared vision for making this the easiest place in Europe to set up and run a business.

Our intention, via the White Paper, is to rapidly build a strategy the region can own as a clear roadmap to greater productivity – a Strategy for Growth. We have set out what we believe are the key priorities that will deliver the outcomes we are seeking - but these need to be tested.

We want input from as many of our partners and stakeholders as possible during the consultation period that concludes **16th November**. This feedback will be used to inform the development of the Strategy for Growth which will then be published, we anticipate, before the New Year.

We are all passionate about the Greater Birmingham and Solihull area and want to see it punch its weight both nationally and internationally. The development of this Strategy forms a key step in making this happen. We hope you will take the time to contribute to it.

Andy Street

Chairman of the Greater Birmingham & Solihull Local Enterprise Partnership

Managing Director of John Lewis

Steve Hollis

Deputy Chairman of the Greater Birmingham & Solihull Local Enterprise Partnership

Midlands Chairman, KPMG

Executive Summary

The Greater Birmingham & Solihull Local Enterprise Partnership (GBS LEP) is a new breed of partnership between the Private and the Public sector encompassing Birmingham, Solihull, North Worcestershire and South Staffordshire.

Since our formation, we have made significant progress; creating the UK's largest city centre Enterprise Zone to underpin 40,000 new jobs, negotiating with the Government a revolutionary new system of fund management to invest and aggregate £1.5bn of public funds, supporting investment into key sectors and creating a new Skills for Growth Compact to build best-in-class skills that link with real world work opportunities.

The need for a shared Strategy for Growth

Our achievements are only the beginning of our ambitions for the region. We must seek new ways to address old problems - we must be transformational.

Driving change is difficult in any organisation and no less so in the complicated and interconnected ecosystem that makes up one of the UK's biggest regional economies. We will not be daunted by the scale of the challenge, but if we are to be successful we will require the engagement of all stakeholders, politicians, business leaders and associated bodies.

The purpose of this White Paper is to explain in detail our aspirations and vision, and allow all our partners and stakeholders to input, challenge and discuss with us the things that matter most for regional growth.

Our focus for change

To create a globally competitive city region we propose a strategy which splits the economy into three 'pillars' – Business, People & Place.

Working within this framework, and drawing from our evidence base, we have identified five priority outcomes that are critical to unlocking growth. They are:

Business

A new ecosystem for **business support**, enabling businesses to start and grow with locally relevant support and finance

We need a far stronger Business Support offer that attracts new business, encourage new start ups and helps promote and grow existing business. In particular, this new approach needs to:

- Provide better access to finance. Despite an increased number of mainly national initiatives access to finance for SMEs remains a key obstacle for growth. We must find new ways to enable SMEs, in particular, to access capital
- Align the interests of existing business support organisations to remove unnecessary competition and provide clear direction

Clear **leadership in key sectors** where the LEP has existing strengths and opportunities

We need to identify and develop those sectors that can support growth and create a set of strengths from which the region becomes truly renowned for – attracting investment, jobs and growth.

Research commissioned by the LEP has confirmed significant potential for expansion both from inward investment and indigenous growth in: Automotive and Advanced Engineering; Financial, Business and Professional Services; Computer Services, IT and Digital; Life and Health Sciences; Food and Drink; and the Green Economy; and suggests Tourism & Leisure has significant potential.

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People

An overhaul of the **skills** profile across the GBS LEP, creating a UK-leading talent pool

We have a skills deficit exacerbated by an increasing demand for skilled labour across a broad range of sectors. We need a significant improvement to skills levels across the city region.

Within this new skills agenda we need to make skills relevant to business need, and find ways to ensure people within the region have access to the jobs and opportunity we are creating.

Place

Substantially improved **connectivity** within the LEP, the UK, and to international markets

Effective physical and digital connectivity both within the city region and to national and international markets is essential – and it needs to be better.

We must, prioritise a finite resource that will drive the greatest economic impact for the city region as a whole. Critically, if we are to attract a greater share of inward investment we must have an airport that is connected to all major international hubs.

Better use of our **physical assets and environment**, supporting the development of vital housing and employment land.

We also need to develop and explore new and innovative ways of leveraging the assets within the region to unlock long-term growth:

- Providing the housing and employment land needed, aligned to economic growth
- Leveraging private sector capital to speed up development and maximise impact
- Creating a planning environment that supports sustainable growth
- Supporting a real sense of place in the region

Turning ambition into reality

This is a challenging agenda that will only be achieved by working together. By combining our strengths and aligning our resources we can deliver a step-change and start to truly punch our weight.

The LEP, by its very nature, is not a delivery body. However, as custodian of the region's strategy we will be its champion, lever the resources from the Government, identify delivery partners – and hold them to account. We will provide the clarity of direction required, and the leadership the region needs.

From White Paper to Strategy for Growth

This White Paper sets out the headline objectives and outcomes we are expecting to seek through the Strategy for Growth. It does not yet contain all the answers - the consultation process will be key to that.

Feedback from stakeholders across the LEP will be used to inform the Strategy which will be published before the New Year.

This will not be the end of the story however. We are clear that the journey is very much the strategy, and it will evolve organically as the LEP's journey continues.

Consultation

We hope that stakeholders across the LEP will take this opportunity to input into the Strategy's development. To be a success and deliver transformational change it needs to be a strategy that is owned by all.

The consultation will run until 16th November.

Details can be found at www.gbslep.com.

SECTION 1: OVERVIEW & PRIORITIES

Greater Birmingham & Solihull Local Enterprise Partnership

Introduction

The Midlands is famous for being the birth place of the industrial revolution, home to the UK's second city and the city of a thousand trades. Sitting at the country's crossroads, Birmingham and the city region are within easy access of London and all major UK and international markets. Our potential is to be globally competitive, and we need now to live up to that potential.

By most measures the Midlands economy underperformed in the decade leading up to the recent financial crash. Relative underperformance was, however, more than compensated for by the financial bounty created principally in the City of London. This was good whilst it lasted, but as we now know was not, and, more importantly for the future, is not sustainable for the UK economy as a whole.

The Coalition Government has been very clear that we must rebalance the UK economy, and that we must find new ways and new thinking, to overcome many of the traditional obstacles to growth. The Greater Birmingham and Solihull Local Enterprise Partnership (GBS LEP) is determined to exploit this opportunity. We know, however, that we can only achieve the transformational change required by engaging with and aligning the aspirations of all the regions key stakeholders.

This is the purpose of our White Paper. Our success will be determined by the engagement and buy-in we achieve across our LEP geography, with neighbouring LEPs, and from the UK as a whole.

The role of the LEP

We are proud of the fact that the GBS LEP has forged a new level of coalition between the Private and the Public Sector. Capitalising on the best of business leadership, and combining this with determined Political leadership we are focussed on real economic growth and have assembled the people who have the appetite and the ability to deliver significant change.

One of our key strengths is the ability to make difficult decisions. Because we can de-politicise issues (many of which have previously proven too difficult to resolve) our LEP has acted, and will continue to act, in the best interests of our geographic region as a whole, and not simply any one part thereof.

We have a strong partnership with the Government, and we are their body of choice for the coordination of the strategy that will drive regional economic growth. We will continue to use this partnership to influence greater devolution of authority from Central Government and greater direct control over the allocation of resources.

This White Paper is designed to help build a new Strategy for Growth for the region. The GBS LEP will be the champion and custodian of this new Strategy. Although not crudely a 'delivery agency' ourselves, we will provide the clarity of direction for the nominated delivery agencies to put in place the most effective delivery programmes.

The journey so far

Our LEP has celebrated its first anniversary and is now well into its second year. In that short time significant progress has been achieved. Arguably, for us, our greatest single achievement has been the creation of the partnership itself - based around a functioning economic geography and coordinating partners dedicated to driving economic growth in our region.

At a time when resources are scarce our partnership has also enabled significant benefits and investment to be realised, for example:

- The creation of the UK's largest city-centre **Enterprise Zone**, with the catalytic potential to revitalise parts of Birmingham and create

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over 40,000 jobs. The 'EZ' has already been listed in the Top 50 free zone investment sites in the world and in the Top 3 in Europe.

- Successful negotiation with Government to create **GBS Finance**, a revolutionary fund management approach to public finance that aggregates, manages, recycles and invest £1.5bn of public funds - emphasising evergreen models and private sector co-investment.

- Via the successful **City Deal** process we have forged a strong relationship with the government, and begun a process of real devolution of power from Whitehall.

- **Investment into key sectors** has been achieved through targeted interventions, including; the Advanced Manufacturing Supply Chain Initiative, City Deal gap funding for a new Institute for Translational Medicine underpinning a Life Sciences revolution, and the Creative City initiative with Government securing support for Digital and Creative industries.

- Successful negotiation with Government to create the **Skills for Growth Compact**, to recruit 25% of all businesses in the region to work with colleges and schools to build best in class skills that link with real-world work opportunities.

- The creation of a new **Spatial Planning** Framework and Planning Charter across the LEP, which places sustainable growth at its heart.

- Approved the allocation of over £12 million from phase 1 of the Growing Places – **funding for shovel-ready infrastructure projects** – unlocking 8 schemes across the LEP region, leveraging £85m of private sector investment and promising 7,200 jobs.

- Selected as a **pilot for the Government lead mid-sized business review** to better understand the needs and drivers of medium sized businesses.

- Launched the **£8m million Business Support Programme** designed to provide grant support, coaching and mentoring to SMEs business within the LEP region.

- Established the **Business Hub** at Baskerville House as a model for providing a physical one-stop-shop for businesses to access help and guidance; incorporating the LEP secretariat team, Marketing Birmingham, Birmingham City Council, Business Birmingham, the Chamber of Commerce, Finance Birmingham, Birmingham Forward, and the Aston Reinvestment Trust.

- Launched the **LEP Virtual Hub** – providing a web-based portal to provide LEP based businesses with help and guidance on public and private sources of finance and business support.

The next, and most important, stage of our journey is building a credible Strategy for Growth for the GBS LEP region. We know that many of the themes in our Strategy will likely be familiar. What we see as being critically different, however, is; the strength of our unique leadership model, the real potential to draw down significant new freedoms from Whitehall, the accountability the GBS LEP will bring to implementation, and – we hope through this White Paper – the shared regional ownership of the vision and priorities.

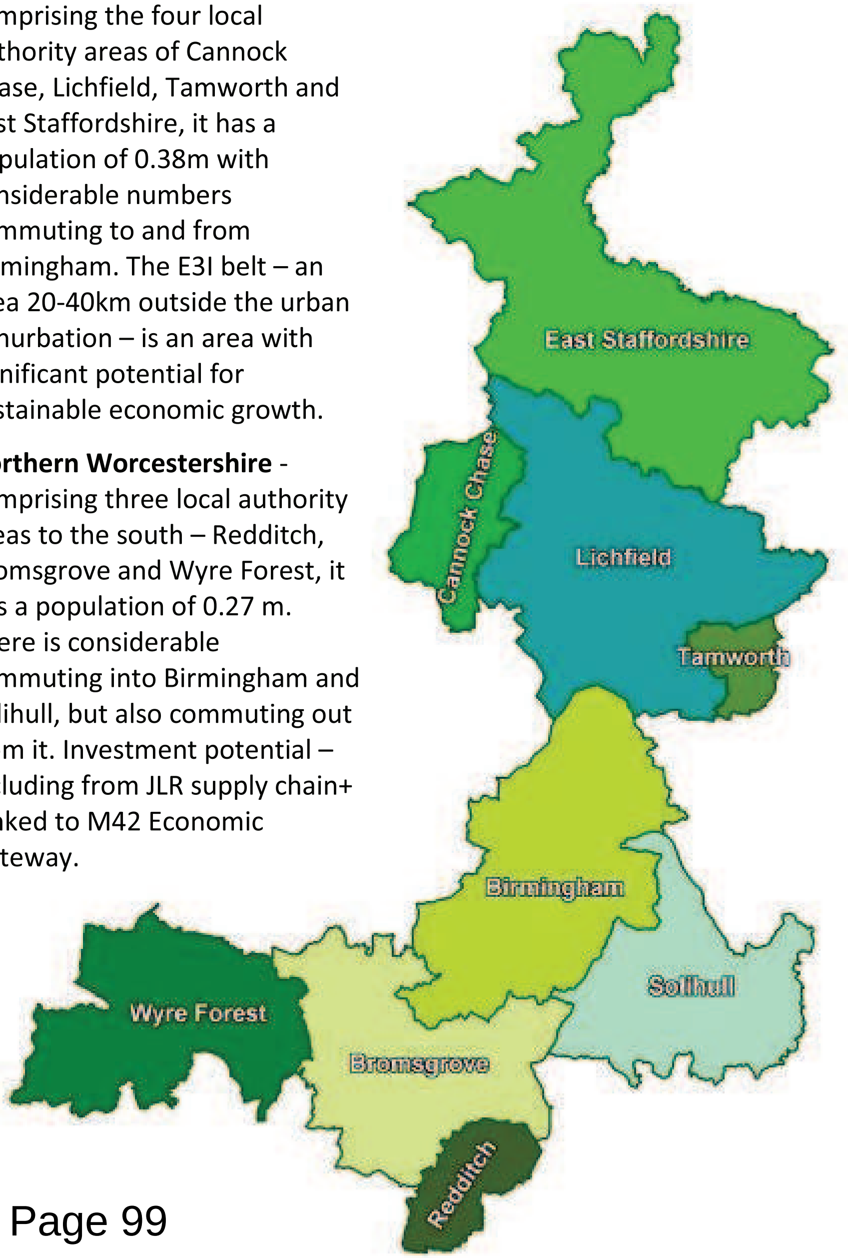
A profile of the GBS LEP

A snapshot of the Greater Birmingham and Solihull area:

- Population of 1.9 million people – predicted to grow by 167,000 by 2025
- 924,500 jobs
- 67,000 businesses
- 789,680 dwellings
- Contributes £34bn in Gross Value Added (GVA) to the economy each year
- 63.8% of residents are in employment
- Average earnings for full time wage and salary earners is £29,728 (national average is £32,837)
- One in four of the working age population is educated to degree level or higher
- 10.4% of 16-24 year olds have no formal qualifications
- Worklessness rate of 15% compared to the national average of 12.2%
- High proportion of individuals who have recently set up or are in the planning stages of setting up a new business (6.9% as opposed to UK average of 6.5%)
- Four major universities
- 11 key FE colleges
- Busiest theatre in the UK

The Greater Birmingham and Solihull LEP includes:

- **Birmingham and Solihull Metropolitan Core** – this has a population of 1.23m and contains many of the economic drivers of the conurbation: Birmingham city centre; international venues such as the, NIA and ICC; the M42 Economic Gateway in Solihull; Birmingham Airport, the NEC, JLR and premier investment locations
- **Southern Staffordshire** - comprising the four local authority areas of Cannock Chase, Lichfield, Tamworth and East Staffordshire, it has a population of 0.38m with considerable numbers commuting to and from Birmingham. The E3I belt – an area 20-40km outside the urban conurbation – is an area with significant potential for sustainable economic growth.
- **Northern Worcestershire** - comprising three local authority areas to the south – Redditch, Bromsgrove and Wyre Forest, it has a population of 0.27 m. There is considerable commuting into Birmingham and Solihull, but also commuting out from it. Investment potential – including from JLR supply chain+ -linked to M42 Economic Gateway.



Focussing on what matters most

Unlocking long-term sustainable growth and creating regional prosperity will be dependent on the formation of a clear overarching and cohesive shared strategy; a strategy which brings together the vision for the region. This strategy must begin by identifying those issues which matter most, and will have the biggest economic impact for the region as a whole.

We are proposing a Strategy for Growth which splits the economy into three clear 'pillars' – Business, People & Place (explained in greater detail on page 12).

Within each of these pillars the five priority outcomes, critical to unlocking growth, are:

Focussing on Business

We need a far stronger **business support** offer that attracts new business, new start ups and helps promote and grow existing business. In particular, this new approach needs to:

- Provide better access to finance. Despite an increase number of mainly national initiatives access to finance for SMEs remains a key obstacle for growth. We must find new ways to enable SMEs, in particular, to access capital
- Align the interests of existing business support organisations to remove unnecessary competition and provide clear direction

We also need to identify and develop those **sectors** that can support growth. This needs to build on our considerable existing strengths, as well as opportunities, and create something the region becomes truly renowned – attracting investment, jobs and growth.

Focussing on People

We have a **skills** deficit exacerbated by an increasing demand for skilled labour. We urgently need a significant improvement to the skills profile across the city region, and across a number of sectors.

Within this new skills agenda we need to make skills relevant to business need, and find ways to ensure people within the region have access to the jobs and opportunity we are creating.

Focussing on Place

Effective **connectivity** - both physical and digital; and both within the city region and to national and international markets - is essential, and it needs to be better.

We must maximise the resources we have, and integrate investments being made in connectivity to drive the greatest economic impact for the city region as a whole. Critically, if we must have an airport that is connected to all major international hubs

We also need to develop and explore new and innovative ways of leveraging the **assets** within the region to unlock long-term growth:

- Providing the housing and employment land needed, and aligned to economic growth
- Leveraging private sector capital to speed up development and maximise impact
- Creating a planning environment that supports sustainable growth
- Supporting a real sense of place in the region

The GBS LEP Board, working with partners and key stakeholders, is developing plans to address each of these priority outcomes. More information about these plans, and the anticipated activity required, is set out in Section 2 of the White Paper.

Focussing on a vision for the future

Our Strategy for Growth is a bold agenda for change designed to create the conditions necessary for long-term sustainable growth, and ultimately enable us to become a globally competitive city region.

To punch our weight on the global stage will require transformation within many of the fundamental aspects of our local economy. This cannot happen overnight as structural changes take several years to achieve.

What, however, will success look like for us? Cast your mind forward. We believe success will have been achieved if the following statements accurately describe our outcomes, and the journey we have been on:

- The LEP will have one of **the most skilled labour forces in Europe.**
- LEP productivity improvements will have driven an **increase in GVA by over £8bn**
- The region will have **enhanced its reputation in a broad base of sectors** that include Life Sciences, Advanced Manufacturing, Digital and Professional Services.
- The **quality of business support we offer will be best-in-class**, underpinning the region's consistent outperformance for new start-ups, business survival, and business growth.
- **Unemployment is at a record low** following private sector growth of 100,000 jobs
- The region is amongst the **best connected physically and digitally** in the UK.
- **£15bn of private sector capital** has been key to the transformation of the physical estate and enabled meeting our new homes targets.

Whilst this vision is ambitious and achieving it will not be without its challenges, we believe the current generation of civic and business leaders have a responsibility to set the region's economic fortunes on the path that will deliver.

Greater Birmingham & Solihull Local Enterprise Partnership

Building the Strategy for Growth

Increasing productivity whilst achieving growth, fairness and sustainability across the city region has been attempted in the past. Various organisations and interventions have set out to meet these ambitions, but all too often they have been too closely focussed on overly narrow outcomes and have been fragmented spatially and thematically. They have not had the big picture in mind.

This calls for a more strategic approach that is based around a series of key priorities and recognised the interdependency of these to the success of the whole.

We have developed a framework for our Strategy for Growth which focuses on the three major pillars of our economy as we perceive them - Business, People and Place. The diagram, below, explains in more detail how we define each of these pillars and how they interact.

Whilst all of the elements of our strategy are cross-cutting and interdependent, we see several key strands of support sitting beneath all the actions we take. They include: the partnerships we forge (locally, regionally, nationally); the sourcing and maximisation of resources (whether from Government, the Private Sector, Local Authorities – or any other route we can access); and a consistently sustainable approach to growth.

Evidence & consultation: informing decisions around key priorities

The GBS LEP has commissioned several key pieces of research to provide a baseline for our approach: we have held a number of business engagement events and seminars to build in the views of the business community, and we have worked closely with Economic Development

Business

'Business' describes and supports the business environment across our LEP. This is where we focus on the critical issues which underpin growth such as; the way our businesses are supported, the finance our businesses have access to, the regulatory environment, the role of social enterprise, and the mechanisms in place to secure inward investment.

People

'People' refers to the critical role of the people resource within our LEP. This is the part of our thinking which deals with the LEP's talent pool, our work to align the region's skills base to business opportunities both now and in the future.

Place

'Place' tackles the spatial framework and infrastructure that underpins our ambitions. Here we deal with critical issues such as the spatial plan for the LEP, digital and physical connectivity, the creation and management of the Enterprise Zone and Enterprise Belt, housing and employment land, planning regulations to support growth and the high quality of life that underpins our appeal.

Foundation Stone

Sitting beneath and supporting our three pillars is key cross-cutting activity, the 'foundation stone' of the LEP work, which is where we focus on the partnerships we forge, the funding streams we leverage, and our sustainable approach to developing the LEP economy and environment.

teams across the Local Authorities within the GBS LEP.

We have also drawn upon the experiences and commentaries from the numerous regional and local plans which precede or sit alongside our own, including; Advantage West Midland's Regional Economic Strategy, the Local Authorities Local Economic Assessments and Economic Strategies, and the Regional Spatial Strategy. A synopsis of the Strengths, Weaknesses, Opportunities and Challenges based of the GBS LEP evidence base can be found in on page 34.

We are not reinventing the wheel, rather we are picking the best of what the past and the present have to offer, and refining them based on our current circumstances. We acknowledge that the traditional approach to affirming a new Strategy would be to appoint an independent body to develop extra research and report their findings. The GBS LEP Board believe that the evidence we have is robust, and the most valuable challenge and additional input to this will come from stakeholders who are the intended audience of this White Paper.

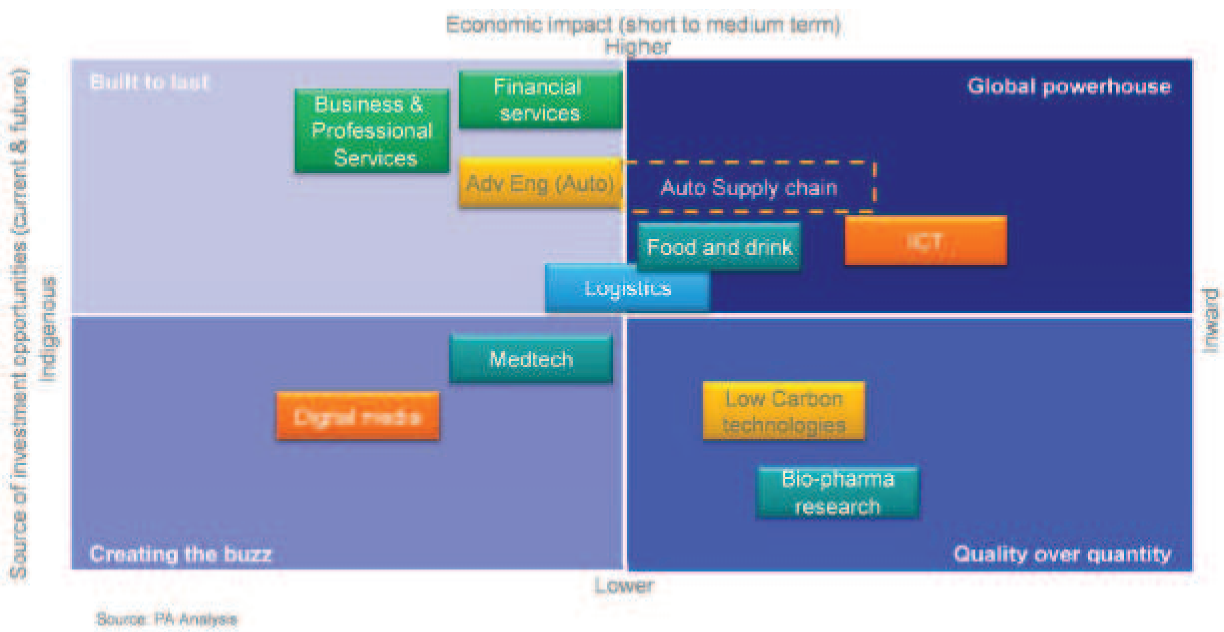
Sector focus: building on strengths, and creating global competitiveness

An important part of the Strategy for Growth will be building on the evidence base referred to previously to identify those businesses and sectors that will be the most successful in optimising the economic assets available across the GBS LEP.

Research commissioned by the GBS LEP has confirmed our compelling offer in key sectors where investment may be attracted including: Automotive and Advanced Engineering; Financial, Business and Professional Services; Computer Services, IT and Digital; Life & Health Sciences; Food and Drink; and the Green Economy (this is indicated in Figure 1 below).

The GBS LEP Board is equally, aware, however, that we do still need to have a range of thriving sectors which can accommodate the employment we require to be truly successful. Accordingly, through this White Paper consultation process the LEP will be particularly seeking views on our stakeholder's impression of sector strengths within the region.

Figure 1: Key Sectors for the GBS LEP (PA Consulting, 2012)



Evolution of the Strategy

We know we don't have all the answers yet, and in the current climate of change and uncertainty we know that the economic imperatives which drive us may change. In writing our strategy we are setting the key priorities for long-term change, and for short-term action, whilst accepting the need to remain flexible as the LEP evolves.

In many ways therefore, for the GBS LEP, **the journey is the strategy**, and as our journey continues so our strategy will evolve organically.

As part of the evolutionary process, the Board is committing to review the Strategy – and the outcomes and sub-outcomes it sets – every two years (with the first refresh due for publication at the end of 2014). This way we will ensure there is a clear, current, and representative set of outcomes constantly driving the LEP's activity and resources.

Measuring Success

We understand the importance of clearly defining and articulating what we are seeking to achieve, and then robustly measuring progress.

The finalised Strategy for Growth will set out how the agreed outcomes will be quantified and, ultimately, how success will be measured.

However, the Strategy is not intended to be a delivery plan. Separate and detailed delivery plans, which will have board Director ownership, will support the individual outcomes and they will clarify the detail of how each one will be reached and performance measured.

Resourcing priorities

We know that we do not have all the resources we will require in order to deliver our ambitious plans for the future, and as such we will not be in a position to produce a Strategy for Growth which is 'fully funded'.

LEPs are by there very nature different to other bodies which have previously been responsible for regional economic growth (such as Regional Development Agencies) and we have no standing development resources. However, as the last two years have demonstrated – we can access significant resources and powers from the Government, and shape and influence the spending of a number of departments and agencies both locally and nationally.

Our Strategy for Growth is essential in the context of resources. It will be the framework under which we direct the resources we access, and will be the basis of our roadmap for seeking out and accessing new funds and powers in the future.

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From White Paper to Strategy for Growth

The publication of this White Paper is a significant milestone in the adoption of our Strategy for Growth, in doing so we are setting out our developed thoughts on the future strategy – but we are certainly not presenting an unalterable policy commitment. The next, and in many ways most important, step is to gain the views and feedback from all the GBS LEP's stakeholders and partners.

The paper was published on the **Monday 8th of October** which marked the beginning of a formal consultation period. During this time we will be seeking views from a multiplicity of partners and stakeholders, via a number of channels, in order to get maximum feedback and input. We will be running this intensive consultation period until **Friday 16th of November**.

It is anticipated that, following the consultation process, we will pause to review the feedback and ensure all necessary challenges have been considered and addressed, before finally publishing our Strategy for Growth before the New Year.

Get involved

We are keen to ensure that as many people as businesses and partners are as involved as possible in the formation of our Strategy for Growth, and will be seeking views from a number of channels.

For full details of the consultation programme, including events across the LEP, and a bespoke web questionnaire to provide feedback please see:

http://www.GBSLEP.com

To provide general comments via email please write to: GBSLEP@birmingham.gov.uk

To provide general comments via post please use the LEP executive's address:

GBS LEP Executive Baskerville House
Centenary Square
Birmingham
B1 2ND

Responding to the White Paper

The GBS LEP Board is keen to receive views from our stakeholders and partners. A customised questionnaire has been developed via the GBS LEP website to help consultees provide focussed feedback around a set of specific questions. We also welcome written submissions (via letter or email) covering any issues arising within the White Paper. The LEP Board is particularly interested to hear views about:

- The identified key priorities within the White Paper, and the extent to which you agree these are the top five things to focus activity around (summary on p. 10)
- The 'vision' for the LEP, and the extent to which is appropriately ambitious (summarised p. 11)
- The 'Business' pillar and the key outcomes, and sub-outcomes, which sit within it (details from p. 18)
- The 'People' pillar and the key outcomes, and sub-outcomes, which sit within it (details from p. 23)
- The 'Place' pillar and the key outcomes, and sub-outcomes, which sit within it (details from p. 26)
- Prioritisation of activity, and identification of appropriate delivery partners (explained on p. 17)

SECTION 2: DETAILS & EVIDENCE

Greater Birmingham & Solihull Local Enterprise Partnership

Building and supporting our priority outcomes

As part of our White Paper consultation we are seeking to explain the nature of the key priorities we have identified, and the types of activity we see as being fundamental in delivering them.

Section 2 of the White Paper is dedicated to setting out in more detail how we intend to build the Strategy for Growth, and the types of activity we see helping deliver it.

Outcomes

As described in Section 1, taking the framework of Business, People and Place we have identified five key priority outcomes around: business support, sectors, skills, connectivity and assets.

Each of these is individually a pressing issue for the region, but they are also the sum of many inter-connected sub-outcomes that our work has identified as being important. These are outlined in the following pages.

For example, we have identified that improved connectivity is a priority. However, sitting beneath that is a range of sub-outcomes, such as: connecting Birmingham Airport to the world, improved digital connectivity, better connections within the LEP, and better connections to UK markets.

Immediate actions to deliver

As part of the White Paper we believe it is important to give a sense of the actions we need to take to start delivering. These actions flow from our existing work plans, suggestions from our stakeholders, and from our anticipated required actions for the future. Set out in headline detail over the next few pages, these are intended to help stakeholders understand the breadth of activity which will be required.

As part of our consultation we are particularly interested in knowing if these are the right actions, in our stakeholders and partners eyes, and if they will help support the outcomes we are seeking.

Prioritisation

We know that resources are not limitless and with the breadth of the challenges we face, there is a need to prioritise activity and focus on those things that matter most, and deliver best.

The following pages provide an initial view of how this prioritisation may happen against the current set of actions – using a simple "high", "medium" and "low" system. It is important to not, however, that just because something is "low" does not mean it isn't a priority, rather in pressure circumstances it would not be the first action to pick to deliver our priority outcomes.

As part of our consultation we would like to know our stakeholders' and partners' views about prioritisation.

Ownership & delivery plans

Our intention, once the Strategy for Growth has been agreed, is to support all of the identified outcomes with a detailed delivery plan. Owned by an individual board director lead, these documents will be the place in which metrics, milestones and timetables are outlined.

As part of this process we will also be identifying the most appropriate and effective delivery partners to help us achieve these outcomes. As custodians of the regional strategy, the LEP will need to play a significant role in ensuring where a priority has been committed to – it is being delivered.

Business

The 'Business Pillar' describes and supports the elements of our Strategy which we see as underpinning the business environment across our LEP.

With a strong business lead from the board, this is where we focus on the critical issues that facilitate growth (finance, advice, regulations, space, social enterprise, inward investment).

Activity is already taking place to achieve many of our priorities (and in many instances, it has been taking place in one form or another for some considerable time). However, we are clear that for each outcome the GBS LEP as a region needs to raise its game, to work with partners and be bold in pushing for something bigger and better to deliver.

As with all our themes these outcomes interact and rely upon outcomes across the other pillars, particularly with delivery of the "Skills Ask" element of the GBS LEP City Deal critical to support employment growth.

'Business' Priority Plan:

The first of our two key priority outcomes within the Business Pillar is to create:

B1. A new ecosystem of Business Support, creating an environment where businesses are enabled to start, grow and succeed, through integrated and locally relevant support and access to finance

To achieve this, we envisage needing to focus on nine related sub-outcomes, and have identified a range of activity and steps which will start to deliver them:

Immediate actions to deliver the vision	***Priority***
(B1.1) Integrated, effective and locally relevant business support, recognising that different approaches and packages will be appropriate in different parts of the LEP	
▪ Develop a central business portal for support across the LEP – complementing existing resources and signposting to local and national support	**H**
▪ Review models and funding streams which underpin national and LEP Business Support, and develop and implement proposals for a new GBS LEP offer for UK-leading support	**H**
▪ Conduct research with Government into the critical support drivers behind the success of Mid Sized Businesses in the LEP	**H**
▪ Conduct research into the drivers of, and barriers to, growth for SMEs and high growth firms within the LEP	**L**
▪ Deliver £8m High Growth Business Development Programme	**H**
(B1.2) Consistent availability of an appropriate range of finance to support business growth and success	

▪ Roll out the 'Finance Birmingham' offer on a LEP-wide basis, providing finance for companies which are financially sound but unable to access finance from traditional banks due to a shortage in liquidity	H
▪ Deliver AMSCI Programme to support finance into Advanced Manufacturing Supply Chain	H
▪ Establish via Growing places, RGF III, and other funding streams where possible, equity finance to help support company growth and support	H
▪ Develop the GBS Finance "Debt, Equity and Microfinance investments in SMEs" investment strategy	M
▪ Develop effective partnerships with HE to access funding through new European programmes and deliver business support	L
▪ Collaborate and work with the West Midland Regional Finance Forum on the effective and efficient use of the AWM Legacy Funds	M
(B1.3) Better local regulation for business, which supports and encourages growth	
▪ Work with the Government (via the Better Regulation Delivery Office) as a "pathfinder" to reduce regulation, promote and deliver new ways of working and champion reducing national red tape; sharing best practice with other LEPs across the UK	H
▪ Work with Local Authorities to ensure municipal costs which are competitive relative to others	L
(B1.4) An increase in the number of successful and surviving business start-ups	
▪ Work with FE, HE and Science Parks to support graduate start-ups, and university spin outs	M
▪ Grow finance products tailored to support start-up companies, with particular focus on equity finance	H
▪ Support the infrastructure investments of research institutions, universities, colleges trade and vocational institutions and schools	H
▪ Support targeted to young entrepreneurs, both school leavers and graduates, maximising the potential of the LEP's youthful population profile	M
(B1.5) An increase in the number of Small and Medium Sized Companies starting, locating, growing and succeeding with the LEP.	
▪ Implement the Mid-Sized Business Review Pathfinder Programme	H
▪ Champion the value of locally-owned businesses and support their services	L
(B1.6) An increase the number of High Growth Firms across the LEP	
▪ Target specific business support to High Growth Firms that drive employment and growth in the GBS LEP economy (to ensure retention & success of existing firms)	M

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(B1.7) An increase in the number of companies who are exporting and based within the LEP	
▪ Bring forward an export drive in the GBS LEP area to expand export activity of business population	H
▪ Increase support for indirect exporters (such as the component supply industries) to avoid undermining the strong component supply industries that support such export based industries	M
▪ Support SMEs in finding opportunities and international routes to market.	M
(B1.8) A vibrant social economy and third sector acting as a strong component of the local economy, and delivering significant opportunities for growth and employment	
▪ Identify 'Social Enterprise Champion(s)' to lead activity	H
▪ Through the third sector grow Health and Social Care sector (e.g. Domiciliary Care)	L
▪ Create partnerships and develop a coherent strategy to support the growth of social enterprises.	M
(B1.9) Maximised procurement opportunities across the LEP to support local business growth	
▪ Clear signposting of businesses to procurement opportunities from LAs and other public sector organisations	M
▪ Consistent implementation by Local Authorities of West Midlands Procurement Framework	L
▪ Promote and encourage major employers and organisations to offer local procurement opportunities	L

The second of our two key priority outcomes within the Business Pillar is to create:

B2. Leadership in key sectors, building on our natural strengths and advantages and driving jobs growth and GVA growth within the GBS LEP

To achieve this, we envisage needing to focus on nine related sub-outcomes, and have identified a range of activity and steps which will start to deliver them:

Immediate actions to deliver the vision	***Priority***
(B2.1) UK-leading Advanced Engineering sector (including automotive and aerospace), creating opportunities that encourage indigenous growth and FDI.	
▪ Commission independent research to quantify the dynamics of the sector locally	H
▪ Create and deliver the AMSCI programme to underpin the strength and competitiveness of the sector.	H

▪ Grow new clusters of business in advanced engineering	H
▪ Support associated infrastructure investments of research institutions and universities	M

(B2.2) UK-leading Digital / ICT sector. Attracting major national and international ICT operations data centres, focussing growth around digital media, software development and consultancy, medical technologies, and embracing the opportunities of becoming an e-commerce hub.

▪ Commission independent research to quantify the dynamics of the sector locally	H
▪ Align and maximise the benefits from Birmingham's £10m Urban Broadband programme, unlock £100m of private funding and build on our existing expertise.	L
▪ Support and develop the roles of Smart City, Creative City and Science City in global ICT leadership; potential to implement effective models across the LEP	M
▪ Development of world class infrastructure including broadband, wireless and telecommunications networks, and Data Centre(s)	L
▪ Grow new clusters of business in ICT	M
▪ Support associated infrastructure investments of research institutions and universities	L

(B2.3) UK-leading Life & Health Sciences sector which builds upon and enhances the already substantial assets within the LEP.

▪ Commission independent research to quantify the dynamics of the sector locally	H
▪ Grow new clusters of business in life sciences	H
▪ Secure gap funding for, and help deliver new Institute for Translational Medicine, which will co-locate state of the art clinical facilities with a hub for firms to engage with clinicians and academics.	H
▪ Support associated infrastructure investments of research institutions and universities	M
▪ Work with partners to develop new sources of finance for (debt, equity and mezzanine) for promising companies and projects in the life sciences sector	M

(B2.4) A strong Food & Drink sector. With growth an opportunities created around food processing and producing – providing an integrated package of Manufacture, R & D and logistics.

▪ Grow new clusters of business in Food & Drink	M
▪ Support associated infrastructure investments of research institutions and universities	L
▪ Support and enhance where possible the role of GBS LEP as an R&D centre for food & drink, building on existing strengths and infrastructure	L

(B2.5) A leading Hospitality & Tourism & Leisure sector. With an aligned and complementary offer

across the LEP that embraces existing opportunities around food, restaurants and business tourism.	
▪ Grow new clusters of business in Hospitality & Tourism and enhance the LEP's "Cultural Buzz"	M
▪ Support associated infrastructure investments of research institution and universities	L
▪ Support the role of the LEP's key assets including City and Town Centres, Birmingham Airport and NEC	M
(B2.6) A vibrant "green economy", which supports both high volume and high value opportunities in customer service, construction, manufacturing and business support.	
▪ Through the City Deal support the delivery of the UK's first Local Authority Green Deal, providing energy efficient improvements to 15,000 houses and 40 public buildings, creating 8,000 jobs and kick starting a £1.5bn investment programme	H
▪ Support associated infrastructure investments of research institutions and universities	L
(B2.7) A strong Business, Financial and Professional Services offer, building on the existing capacity and strong offer with the GBS LEP	
▪ Commission independent research to quantify the dynamics of the sector locally	M
▪ Grow new clusters of business in Business & Financial Services	M
▪ Support innovation and associated investments around a strong business schools network	L
(B2.8) An integrated and strategic LEP offer for Foreign Direct Investment, linked to our strengths and key sectors, driving increased volume, value and quality	
▪ Work with UKTI to create a stronger partnership to increase FDI into the LEP, with Board Champions acting as ambassadors for the area / growth sectors	H
▪ Support individual LA inward investment functions to deliver increased inward investment	H
▪ Develop a strong shared message across key agencies including Universities and FE colleges, with agreed key selling points and narrative	M
(B2.9) Increased number of large firms selecting the LEP as a national HQ	
▪ Strong links between the LEP / LEP strategy and major LEP employers	H
▪ Account management of key companies who are dominant in the economic output and employment of the GBS LEP area, ensuring retention of existing large firms and strong family of key employers	M

People

The 'People Pillar' describes and supports the elements of the Strategy which deal explicitly with the most important resource within the GBS LEP – our people.

This is the part of our thinking which deals with the LEP's talent pool. Working to align the skills base and skills provision with the job opportunities now and in the future for the LEP, 'People' is focussed on ensuring the people within the GBS LEP are benefitting from the opportunities being created, and all sharing in the benefits of growth in wealth and economic activity.

Consultation with businesses across the LEP has consistently shown that "skills" is one of the most fundamental issues they want to see addressed and improved. Accordingly, we've prioritised it as a fundamental theme to one of our three 'pillars'.

Through the leadership of the LEP's Employment and Skills Board, supported by our four local Employment & Skills Boards, clear priorities to support the LEP's ambition of creating a globally competitive workforce have been identified and will be delivered through the implementation of the "Skills Ask" that forms part of the recent GBS LEP City Deal.

'People' Priority Plan

The single and clear priority outcome within the Place Pillar is to create a:

P1. A globally competitive talent pool underpinned by a best-in-class skills system, supporting people into jobs and opportunity

To achieve this, we envisage needing to focus on eight related sub-outcomes, and have identified a range of activity and steps which will start to deliver them:

Immediate actions to deliver the vision	***Priority***
(PE1.1) Inspired leadership	
▪ Recruit local industry champions for growth sectors and education who will be leaders of, and catalysts for, change leading and inspiring employers, providers and learners determining issues and priorities and influencing change at a national level	H
▪ Produce a LEP Skills Plan based on a detailed analysis of local labour market and skills needs	H
▪ Promote Skills for Growth and LEP activities including, maximising the local benefits of the National Skills Show being held annual at the NEC for three years from 2012	M
▪ Develop ESB infrastructure and networks to ensure delivery of our employment and skills ambitions at a local level	H
(PE1.2) A dynamic partnership supporting skills, with sustained business engagement with schools and colleges by 2015	

▪ Develop, promote and secure commitment to the Skills for Growth Compact whereby LEP employers, schools, colleges and training providers work more closely together and align careers advice, learning and preparation for work	H
▪ Secure BIS and DfE involvement and support to improve transition from education to work	M
▪ Pilot and roll out education business activity – careers advice, work experience, curriculum content, new apprenticeships	M
▪ Develop business ambassador network to promote LEP wide skills and apprenticeship activity	M
(PE1.3) A demand orientated and growth-maximising local skills system driven by targeted growth sectors, development and investment opportunities	
▪ De-risk and increase provision in targeted growth sectors by delivering new employer-shaped learning opportunities through the Employer Ownership Pilot and new apprenticeship frameworks	H
▪ Articulate local needs and priorities, aligning investment and delivery through the Skills for Growth Hub	H
▪ Pilot a system identifying opportunities and barriers to growth (e.g. lack of appropriate training provision for Green Deal)	L
▪ Use the Innovation Code in course and framework development	M
▪ Maximise opportunities from new development and LEP investment (including the Enterprise Zone, Growing Places Fund projects, Green Deal and Life Sciences) using tools such as Section 106 agreements and the West Midlands Procurement Framework	M
▪ Increase Apprenticeships, including 3,560 AGE Grants delivered by March 2013	H
(PE1.4) A Highly Skilled workforce, benefitting from a thriving HE and FE ecosystem	
▪ Develop strategy with partners to better understand the dynamics of graduate retention, and retain LEP levels of graduate skills	M
(PE1.5) An increase in aspiration and access to opportunity	
▪ Deliver Skills for Growth Compact committing employers, colleges and schools to build a best-in-class skills service to link pupils and learners with real-world work opportunities with at least 25% of local businesses signed up by 2015	H
▪ Champion and promote meaningful work experience, mentoring and internships	L
▪ Promote local skills competition and Have a Go activity, increasing participation year on year	L
(PE1.6) Significant increase in the proportion of the LEP population in employment, with a substantial growth in the number of private sector jobs created	

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▪ Roadmap to the delivery of jobs pledge, with 100,000 new Private Sector jobs created by 2020. Including jobs created from major schemes and programmes (i.e. the City Centre Enterprise Zone, City Deal, Enterprise Belt, M42 Economic Gateway, City Region Inward Investment Programme, High Growth Business Development Programme, AMSCI, RGF and Growing Places).	H
▪ Targeting of funds the LEP has influence over (i.e. Growing Places and Regional Growth Fund funded projects) towards investment focussed on job creation	H

(PE1.7) Significant reduction in Youth Unemployment across the GBS LEP, leading to a more prosperous economy

▪ Implement City Deal as set out in PE1	H

(PE1.8) Significant reduction in long-term unemployment and economic exclusion across the GBS LEP, leading to a more prosperous economy

▪ Target a significant proportion of opportunities from the LEP's job creation to long-term local unemployed. Use tools such as Section 106 and the West Midlands Procurement Framework, and encourage a similar approach to be taken by major private sector organisation	M

Place

The 'Place Pillar' describes and supports the elements of our Strategy concerning the spatial framework and infrastructure that underpin our ambitions.

Local Authority led from the Board, together with Private Sector leadership underpinning several key themes, the Place pillar deals with critical issues such as: the spatial plan for the LEP; digital and physical connectivity; the creation and management of the UK's most ambitious Enterprise Zone and Enterprise Belt; and the supply and management of housing and employment land.

Although activity is already taking place in many areas similar to these, as a 'new' spatial partnership built around a functioning economic geography and travel-to-work area, there is an additional level of significance and potential benefit to be realised from our refreshed approach.

As with all our themes these outcomes interact and rely upon outcomes across the other two pillars. However, we believe they provide the clear foundations to transform the fundamental environment of the GBS LEP.

Our ambitions for growth and development – both housing and employment – are achievable and can be delivered via existing and emerging development plans across the LEP in at least the short to medium term.

'Place' Priority Plan

The first of our two key priority outcomes within the Place Pillar is to create:

PL1. Stronger connectivity; both within the GBS LEP, and between national and international markets

To achieve this, we envisage needing to focus on four related sub-outcomes, and have identified a range of activity and steps which will start to deliver them:

Immediate actions to deliver the vision	***Priority***
(PL1.1) A stronger international gateway for the LEP, particularly via the expansion of Birmingham Airport as one of the UK's leading airports, with direct flights to key growth areas	
▪ Support for the expansion (runway extension and route development) of Birmingham Airport, and its greater role in the future of UK aviation provision	H
▪ Work with partners including Birmingham Airport to align investment in skills, infrastructure and business to route development work for Birmingham Airport – e.g. through M42 Economic Gateway Investment and Implementation Plan and Inward Investment programme	M
▪ Support for HS2 as direct connectivity between GBS LEP and the European Continent	H
(PL1.2) Improved connectivity within the GBS LEP: between businesses, labour pools and to key economic sits, and with reduced uncertainty and faster journey times	

▪ Work with Government and partners to develop a Transport City Deal ensuring alignment with M42 Economic Gateway and wider Place priorities	H
▪ Establish a Local Transport Body for the LEP to manage devolved Major Scheme Capital Funding and develop an optimum framework for overseeing transport investment in the wider area .	H
▪ Develop an evidence based multi modal master plan to determine how uplift in capacity and connectivity can best be achieved and evaluated (based on a rail strategy and maximum journey time of 45mins from the outer edges of LEP area to the centres of economic growth)	M
▪ Work with the Staffordshire & Worcestershire County councils to align their Local Transport Plan packages with better linkages from Southern Staffordshire and North Worcestershire with Birmingham and Solihull Hubs	H
▪ Engage with initiatives such as a Midlands Metro route through East Birmingham to the airport which have the potential to provide significant economic stimulus	M
▪ Develop an attractive transport system including public transport that provides a high standard of access to learning, leisure and services as well as to employment	M
▪ Develop the capacity and connectivity within the LEP and to HS2 stations including through the M42 Economic Gateway Implementation and Investment Plan	M
(PL1.3) Improved access to local and national markets, enabling businesses to better access their customers	
▪ Support and guide the work of CENTRO to drive forward a comprehensive programme of regional rail investment and campaign at a national level for a higher proportion of national rail infrastructure investment	H
▪ Work with partners to develop mechanisms to reduce transport costs for businesses, particularly with lower journey times and increased reliability	M
▪ Close work with neighbouring LEPs to align transport priorities and policy as appropriate	H
(PL1.4) Strong LEP-wide digital connectivity complimenting and supporting the physical connectivity infrastructure	
▪ Review and seek alignment to individual LA digital / digital connectivity strategies	M
▪ Develop and submit a bid to the Technology Strategy Board under the Future Cities Demonstrator call	M
▪ Work with Government on issues of open data and energy mapping	L

The second of our two key priority outcomes within the Place Pillar is to create:

PL2. A more effective approach to maximising the physical assets within the region; unlocking housing and employment land and creating a clear sense of place within the LEP

To achieve this, we envisage needing to focus on nine related sub-outcomes, and have identified a range of activity and steps which will start to deliver them:

(PL2.1) A clear pro-growth LEP planning offer	
▪ Prepare a LEP-wide Place Strategy and associated Spatial Framework	H
▪ Develop LEP-wide agreement and coordination on planning system which supports sustainable growth across the area	M
▪ Implement the provisions of the LEP Planning Charter	H
▪ Streamline development control, regulatory and permit processes	L

(PL2.2) Housing availability to meet current and future demands, attract new investment, and drive economic growth with a mix of property types to meet aspirations of the LEP	
▪ Deliver the Public Assets Accelerator as part of the City Deal to kick start housing and mixed-use development on public land to address our long-term housing and employment site needs	H
▪ Work in partnership with HCA to develop a bespoke LEP Investment Plan for Growth, and prioritise a list of publicly-owned housing sites and a list of public employment and mixed-use development sites for technical and financial support.	H
▪ Dedicate the value of a precisely-defined set of GBS LEP assets and/ or matched sums to an approved rolling asset-based development vehicle to deliver the LEP Investment Plan for Growth.	H
▪ Capture economic benefits (employment, training and supply opportunities) from housing development through use of tools such as Section 106 agreements, West Midlands Procurement Framework	L
▪ Promote approaches that support the development of sustainable housing and employment development	H
▪ Recognise varied housing need across the LEP geography and support delivery of housing provision that serves to meet these needs with aligned LA plans / strategies	M

(PL2.3) Strategic cross-LEP use of employment land and major employment sites, supporting plans for future growth and the LEP's target of 100,000 new private sector jobs to be created	
▪ Conduct a cross-LEP assessment of the need for strategic employment land, and supportive plans for further high quality sites	H
▪ Identify the network of existing and potential 'centres' and economic 'landmarks' including strategic town and city centres and the M42 Economic Gateway, economic landmarks such as University of Birmingham, Longbridge, QE Hospital, FA National Football Centre, next generation of strategic investment sites and sectoral clusters linked to key target sectors	H
▪ Develop an investment plan setting out the priorities for GBS LEP investment across the network of centres and landmarks in short, medium and long term	H

▪ Deliver a £22.5m Growing Places Investment Fund to unlock stalled development sites to create growth and jobs	H
(PL2.5) Enhance and capitalise on the built and natural assets, with a greater quality of environment across the LEP	
▪ Seek to capitalise on the LEP's natural assets (major waterways, forests, parks) as locations for investment linked to recreation and leisure businesses	L
▪ Prepare a LEP wide Place Strategy and associated Spatial Framework	H
▪ With LA inward investment partners develop a promotional / marketing strategy to complement existing initiatives and help to communicate externally the strengths of the LEP area to attract new investment	M
(PL2.6) A healthy, viable rural economy providing for employment and income generation to support the rural populations of the LEP	
▪ Identify key infrastructure necessary to support rural development and rural economies (Land & property, Transport services & networks, Communications)	M
▪ Review LEP wide policy on development in rural areas	M
▪ Support private sector roll out of enhanced broadband provision in rural areas and agree public intervention where necessary	L
▪ Review access to markets for rural economy, and support greater connectivity where required	M
(PL2.7) A thriving LEP-wide cultural and creative scene, which underpins our sense of identity, our visitor economy, and our creative economy with a quality range of leisure, recreational and cultural services/ facilities	
▪ Work the with the Government and key cultural organisation to deliver the Creative City Partnership	H
▪ Support the role of the NEC as a key asset and tool to enhance the area's profile and competitiveness	M
▪ Support outstanding indoor and outdoor recreational opportunities, and maximise benefits of existing leisure assets and coordinate the LEP joint-offer	L
▪ Support an active night time economy throughout the LEP area, supported by appropriate connections between major centres	L
▪ Support investment in cultural institutions that underpin the creative city and wider visitor economy of the LEP	L
(PL2.8) Successful City Centre Enterprise Zone (EZ), creating 40,000 private sector jobs and a boosting economic output by £2.8bn	

▪ EZ to be fully operational including the commencement of retention of all additional businesses rates generated from businesses within the EZ by April 2013	H
▪ Transportation links into the EZ from the rest of the GBS LEP reviewed and priorities for investment identified	H

(PL2.9) Established and successfully delivering the Enterprise Belt (EB), with the M42 Economic Gateway at its heart. The Belt comprises a ring of opportunity around the fringe of the conurbation comprising Southern Staffordshire (the M6/A5, A38 and A550 corridors) and the M42 Corridor (Solihull and the North Worcestershire Districts)

▪ Develop the EB as a corridor of existing economic growth with huge potential for further growth, complementing economic growth in the core; and spreading the wealth creating potential of the LEP to the rim of the LEP area.	H
▪ Identify EB development projects required to deliver growth over the next [10/15] years and the barriers to their delivery	H
▪ Complete an EB Investment Plan setting out development project priorities for financial, technical, and regulatory support in the first [3/5] years	M
▪ Prepare and support the delivery of an implementation and investment plan for the M42 Economic Gateway and include as part of Phase 2 City Deal	H
▪ Put in place a governance structure capable of providing the resources to overcome barriers to delivery	M

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Supporting Foundations

All of the elements of our strategy are by their very nature cross-cutting and interdependent; for example global leadership in the ICT sector will not be possible without a locally skilled workforce, or the physical connections required between businesses and markets. However, beyond simply being 'cross-cutting' there are several strands of key activity which underpin the very deliverability and success of all of the pillars of the GBS LEP.

For the purposes of our Strategy, we have defined these activities as the 'supporting foundations' to the GBS LEP, and they are predominantly focussed on ensuring that:

- **The GBS LEP is based upon, and leading, strong partnerships across the region and with Government**
- **The GBS LEP is actively developing and seeking out new funding and support mechanisms**
- **The GBS LEP maintains a sustainable approach to economic growth**

The detail of the actions which sit behind these two key objectives is explained in the below table, along with our indicative thoughts on the appropriate prioritisation of each sub-outcome:

Interdependent Enabler	Immediate actions to deliver the vision	Priority
S1. The GBS LEP is based upon, and leads, strong partnerships across the region and with Government		
(S1.1) A LEP led by a strong partnership between the private sector and the public sector, which flows into partnerships across the LEP geography and at all levels of organisations.	▪ Strong GBS LEP Board with representatives from the best of business (from a range of sectors and geographies) and the public sector, business led-with a business Chair.	H
	▪ Clear structure of sub-groups which support thinking and delivery of specific issues / themes for the LEP	H
	▪ Transparent and accountable decision making from the GBS LEP Board, and clearly communicated priorities and remit	H
	▪ Clear and consistent mechanisms for two-way communication established, including; website, business engagement events, and sub-groups	H
(S1.2) The GBS LEP operating as a leading voice across the region for economic development	▪ LEP taking a role in celebrating the success of current businesses, and welcoming new businesses to the region	L
	▪ Strong and consistent communication pathways between the LEP and businesses across the LEP	H
	▪ Develop a coherent and concise messaging about the future and challenges to the GBS LEP economy	H
(S1.3) A strong and fair partnership with the Government	▪ Negotiate with government the powers and flexibilities to increase growth, via the City Deal initially and then through the possibility of further phases of the City Deal	H
	▪ Develop and maintain key relationships with Senior Government representatives and departments, developing	H

	a shared agenda and agreed view on priorities	
(S1.4) A strong collaborative relationship with neighbouring LEPs, regionally and nationally sharing joint priorities and work programmes.	▪ Maintain a strong cross-LEP working and clear lines of communication over critical issues ▪ Establish joint-priorities with neighbouring LEPs, particularly around cross-border issues like transport ▪ Deliver shared programmes (such as AMSCI or RGF III)	H H H

Interdependent Enabler	**Immediate actions to deliver the vision**	**Role**
S2. The GBS LEP is actively developing and seeking out new funding and support mechanisms, to help deliver the priorities of the partnership		
(S2.1) Creation and application of 'GBS Finance' to aggregate, manage recycle and invest public funds to deliver LEP priorities.	▪ Negotiate the principles of the GBS Finance model with the Government as part of the City Deal ▪ Develop "Debt, Equity and Microfinance investments in SMEs" investment strategy, providing SMEs access to finance and financial products deploying money as market-driven financial instruments, instead of offering grants.	H H
(S2.2) A LEP-wide investment plan, with clear priorities for investment linked to strategic priorities	▪ Establish through three central pillars the investment priorities in the short, medium and long term, and develop an investment plan from this basis	H
(S2.3) Ongoing development of new forms of resource to support delivery of LEP priorities	▪ Investigate the potential benefits of LEP-wide business rate localisation, and submit proposals as appropriate to the Government. ▪ Discuss with Government options and opportunities for new means of funding economic development ▪ Develop initial proposals, via the City Deal, for delivery of European structural funds which give city regions the appropriate levels of delegated flexibility, accountabilities and funding to deliver growth	H H M
(S2.4) Uplift in business rates from Enterprise Zone(s) acting as a source of investment to underpin LEP-wide priorities	▪ Deliver Investment Plan and refine as projects progress - setting out priorities for investment ▪ Develop GBS Finance as a mechanism of managing EZ funds and maximising their potential	H H

Interdependent Enabler	**Immediate actions to deliver the vision**	**Role**
S3. The GBS LEP supports a sustainable approach to economic growth		
(S3.1) Sustainable approach to growth, which provide the best	▪ Deliver LEP planning charter which encourages sustainable and quality development	H

outcomes for the human and natural environments, both now and into the future	▪ Prioritise, through Business, People & Place pillars, sustainable solutions	H
(S3.2) A programme of green and sustainable activity, showcasing the LEP as a leading figure in the sustainability agenda	▪ Work with Sustainability West Midlands to pilot sustainability reviews on growth strategies, starting with the GBS LEP strategy	M
	▪ Through the City Deal support the delivery of the UK's first Local Authority Green Deal	H
	▪ Encourage green technologies and sustainable development (across businesses and public sector in the LEP)	L
(S3.3) A vibrant "green economy" across the GBS LEP	▪ As part of the City Deal Skills Ask work with Sustainability West Midlands to help develop a new Green Jobs Technical Evidence Base and Green Jobs Prospectus	M
	▪ Support associated infrastructure investments of research institutions and universities, aligned to City Deal Skills ask	M

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Evidence Base

Thematic analysis

The outcomes we have focussed upon in our Strategy for Growth are based upon careful investigation of the drivers of our Local Economy. This is, after all, a strategy which is particular to the nuances of the GBS economy, and designed to maximise opportunities and strengths, whilst addressing several underlying weaknesses.

The following section provides the high-level analysis of the Strengths, Opportunities, Weaknesses and Challenges which the evidence has uncovered for the GBS LEP – based upon the thematic split under the three pillars of the Strategy for Growth:

Business:

Strengths & Opportunities:
Economic Output: The GBS LEP economy produces £34.4bn of economic output per annum. This equates to a GVA per head figure equal to the national average (excluding London); and a productivity (GVA per worker) above the national average and highest of all the LEPs in the West Midlands. The Purchasing Managers Index, a leading indicator of business conditions and output growth, shows a further acceleration in private sector business activity in the West Midlands during the first quarter of 2012. Output growth in the West Midlands was at a five year high – and the strongest of all the UK regions.
Sectors: At a broad sector level, the GBS LEP has a similar sector split to the national average. However, at a more disaggregated level all local authority areas in the GBS LEP have a greater than average share of employment in the automotive related sectors. Research commissioned by the LEP has confirmed the already competitive offer in key sectors including Automotive and Advanced Engineering; Financial, Business and Professional Services; Computer Services, IT and Digital; Life Sciences; Food and Drink; the Green Economy; and Tourism & Leisure, which also all yield significant potential for expansion both in from inward investment and indigenous growth.
Business Environment: The LEP benefits from a critical mass of businesses leading to established business networks, a skilled workforce, availability of Grade A offices, a large local and regional market, with more competitive costs than London, and high connectivity. Research suggests the best opportunities for the LEP are principally indigenous (to the UK) and lie in attracting regional headquarters of large firms and also as a location for operations/processing centres for large firms looking to consolidate operations / control costs. Research has also indicated significant opportunities to attract FDI, particularly in advanced manufacturing, support growth in key sectors.
Enterprise & Innovation: The Global Entrepreneurship Monitor showed that Birmingham had a high proportion of individuals who have recently set-up a new business or are in the active planning stages of setting up a business. This Total Early Stage Entrepreneurial Activity rate for Birmingham in 2010 was 6.9% - above the UK average (of 6.5% and 5.8% for all the English regions). Business engagement by the LEP prior to the White Paper suggested that there was a strong feeling amongst partners that the role of Social Enterprise in supporting economic growth remains significant, and is to an extent untapped at the moment.

Weaknesses & Challenges
Export base: Based on survey data only 22% of surveyed SMEs in the GBS LEP area are exporting. A number

of SMEs now believe that that UKTI funding has been cut back and that less overseas missions/exhibitions, etc are being supported.

Regulation: Business stakeholders regularly identify the need to tackle barriers that inhibit growth and to remove excessive, disproportionate or badly-enforced regulation as a concern. The GBS LEP views the issue of regulation across the area as one of our priorities and is uniquely placed to bring councils and businesses together to create a more efficient regulatory environment.

Access to Finance: Overall, lack of access to credit or loans was ranked as fourth in a LEP-wide survey in terms of important barriers to growth by growth SMEs within the LEP area, with comments confirming that adequate cash flow is seen as a key driver of growth, and in the current climate this has impeded product development and production.

Enterprise, Innovation & Support: The self-employment rate for the LEP is 7.5%, below the national rate of 9.1%. Feedback from business engagement suggests a need for stronger support to ensure start-up survival, and then growth.

Public Sector Employment: The LEP area currently has high levels of public sector employment, which is contracting as a result of spending reductions.

High Growth Firms: There are a relatively small number of High Growth Firms (HGFs) in the LEP area (240 firms). The overall share of HGFs in the area is 5.6% – below the UK share of 6.9%. This relatively small number of firms was responsible for the growth of 17,000 jobs in the LEP area between 2007-2010. Almost three quarters of HGFs are at least five years old. They are generally small in size, with three fifths employing fewer than 20 people. Research indicates that all sectors in the LEP area have HGFs, however high growth firms are most likely to be found in Advanced Engineering or Other Engineering and least likely to be found in Construction and Retail, or Hospitality & Tourism.

Mid-Sized Businesses: Mid-sized business (defined as having annual turnover between £25m and £500m), make up less than 1% of the private sector business stock in the LEP – but account for 24% of the total employment in the LEP area. Between 2003 and 2010 MSB jobs in the LEP area fell from 189,224 to 125,772, while the number of companies remained largely the same.

People:

Strengths & Opportunities:

Population: The GBS LEP has a combined population of 1.9m, and a younger age structure than the national average (with Birmingham one of Europe's 'youngest' major cities). Projections suggest significant growth in the LEP population between 2011 – 2025 (+167,000). The LEP working age population will continue to grow (+ 40,900) with Birmingham accounting for more than the total increase (+ 44,200) as some district authorities are expected to decline.

Centres of educational excellence: Within the LEP area there are 4 major universities and 11 key FE colleges, providing a significant student population which remains a significant potential attraction to investors.

Graduate pool: One in four of the working age population are educated to degree level or higher.

Diverse population base: The LEP has a diverse population mix with a higher than average proportion of ethnic minorities, due in particular to the large proportion of Birmingham's population made up of minority ethnic groups. This diversity in particular offers opportunities and advantages trading with and attracting investment from growing international economies

Jobs & Employment: The GBS LEP supports 924,500 jobs underpinned by 67,000 businesses and a number of key public sector employers.

Mobile population: There are high levels of commuting between LA areas within the GBS LEP with Birmingham and Solihull significant employment locations for many residents in North Worcestershire and Southern Staffordshire. Underpinning a mobile workforce the LEP has a diverse mix of strong local centres which underpin vibrancy and quality of life, and a strong existing transport network which is experiencing significant investment.

Predicted employment growth: Strong growth is already expected in the higher skilled Professional, Managerial and Associate Professional categories, along with growth expected in the lower skilled Personal Services categories (to cater for the needs of the ageing population). The Digital sector has experienced strong growth– 5000 net jobs - which is projected to continue.

Weaknesses & Challenges

Employability Skills: Business partners in the region have persistently voiced concerns about the suitability of young people for work, particularly with a lack of 'softer' employability skills when leaving education. Unchecked, the skills profile threatens to undermine investment and could challenge business growth.

Skills Profile: the LEP suffers from a poor skills profile compared to the other core city LEPs, with relatively low levels of highly skilled people and high levels of people with no qualifications. Within the LEP Birmingham has the highest proportion of working age residents with no formal qualifications (19.4%).

Opportunity to meet growth: A key challenge facing the LEP's population is the lack of sufficient suitable housing and employment opportunities to support the growing and changing population in some areas.

Earnings: Average earnings for fulltime wage and salary earners in the GBS LEP (£29,728) is below that of the UK (£32,837). However, there is considerable variation in average earnings within the LEP – with the Solihull average (£38,322) above other authorities within the LEP and also well above the UK average.

Employment: Over the last 10 years the GBS LEP has moved from an employment rate above other comparable LEPs to now rank the lowest of the Core City LEPs, although there is considerable variation in the employment rates amongst the nine LA areas. The unemployment rate (as of August 2012) for the GBS LEP (7.5%) area is above the UK average (5.0%) and above most other Core City LEPs. Youth unemployment is also high in the GBS LEP - above the national average. Worklessnesss in the GBS LEP (15.2%) is above the national average (12.5%). However, amongst the core cities LEPs, the GBS LEP is mid ranking.

Economic Activity: The GBS LEP has a relatively low proportion of its working age population who are economically active. This is driven, in part, by a particularly low rate for working age females in Birmingham. The position has declined relatively over the last decade, in which the LEP has moved to having the lowest rate of all the Core City LEPs.

Place:

Strengths & Opportunities:

LEP Geography: The LEP is made up of the geography covering the Local Authority boundaries of Birmingham, Bromsgrove, Cannock Chase, East Staffordshire, Lichfield, Redditch, Solihull, Tamworth and Wyre Forest. Combining a variety of local areas, and rural and urban economies, from the second largest city in the UK through to areas of national forest. Key advantages to the LEP area is its complexity, diversity and differentiation which represent a competitive advantage that has the potential to enhance local resilience.

Development & Employment Land: The LEP contains two Major Investment Sites at Longbridge and Aston and Regional Investment Sites at Blythe Valley Park and Birmingham Business Park as well as a range of other large sub regional investment sites that have the potential to provide significant new employment and

economic output.
Business and LAs already agree that planning is critical for promoting and delivering economic growth, both through identifying housing provision, employment opportunities, commercial and retail requirements via long term spatial plans and realising these opportunities via the granting of planning permission. Local planning authorities' performance within the LEP area compares favourably when judged against national standards, but further improvements can always be made to existing procedures and practices.

Culture: The LEP area benefits from considerable national, and international, assets in the world of arts, sport and culture. These include, but are not limited to, major venues like the NEC, ICC, NIA. Sporting centres including Edgbaston Cricket Ground, the Priory tennis centre, Alexander stadium, the Belfry golf centre and the National FA Centre.   Plus cultural facilities like Symphony Hall, Library of Birmingham, Hippodrome, Millennium Point, the National Memorial Arboretum and National Armed Forces Memorial, Lichfield Cathedral; the National Brewing Centre and the National Forest and world class producing/touring companies such as CBSO, Birmingham Royal Ballet, Birmingham Rep, Birmingham Opera.   In October 2011 the DCMS launched 'Creative City', a GBS LEP project aimed at investing in the cultural and creative sector as an engine of growth.

Transport: The LEP's position at the heart of the country's road and rail network brings with it significant growth opportunities, enhanced by recent investment decisions in relation to High Speed Rail, city centre Metro, New Street Gateway and Birmingham Airport.

Inter-LEP geography: The GBS LEP borders several other LEPs, and shares interlinked dependencies and interests with each of these; Staffordshire / Stoke LEP, Coventry / Warwickshire LEP, The Marches LEP, Worcestershire LEP and Black Country LEP. As a "Core City" LEP the GBS LEP has a natural relationship with key comparator LEPs which cover the areas around UK's 8 Core Cities..

Weaknesses & Challenges

Housing: Previous plans to address required housing growth have been affected by a number of factors including: a considerable decrease in the rate of housing building; some anticipated strategic sites are now unavailable; fewer 'windfall' sites are anticipated in some areas; developers' have a difficulty in raising affordable loan finance and potential purchasers' difficulty in accessing mortgages and deposits against new homes means that developers are less willing to take risks.

Assets & investment into the region: across the LAs within the GBS LEP, and through the various Government departments which spend in the region (DfT, BIS, CLG, HMT, DfE, DWP) there is considerable public sector investment continuously being spent in the area - £7bn alone is spent per annum in Birmingham

Cultural Infrastructure: like many other geographies, the GBS LEP features very centralised cultural infrastructure, and there is a heavy reliance of the cultural sector on a declining public funding base.

Connectivity: Business surveys have identified that transport is a significant factor when businesses decide where to invest, and whilst the GBS LEP has a number of key strengths there is space for significant improvements in our ease of access to markets and clients, transport links with other cities and internationally (particularly via Birmingham Airport) and internal connectivity within the city region. Similarly, consultation suggests whilst there are strong pockets of excellence in digital connectivity the LEP-wide offer needs to be enhanced in order to be more competitive.

Development & Employment Land: If we are to meet our growth potential we also need a good supply of employment land which is available and commercially developable. Under current projections Birmingham's current supply for example, will run out in 2023.40% of the land-area of the LEP is Green Belt. This figure rises to 92% in Bromsgrove. Much of this is treasured agricultural, amenity, leisure and/ or protected landscape.

Greater Birmingham & Solihull Local Enterprise Partnership

SECTION 3: APPENDICIES & FURTHER INFORMATION

Appendices

Appendix 1: Summary of Evidence Sources used

Business Engagement Events & Business Support
Warwickshire Cricket Club – 24th November 2011
Drayton Manor – 6th January 2012
Visioning Event – Arup Offices Blythe Valley Business Park: 14th February
West Midlands Safari Park – 21st March 2012
Birmingham Chamber of Commerce Patrons

Local Authority Evidence & Strategies (taken from all LAs where possible)
Core Strategies
Economic Profiles and Strategies
Labour Market profiles
Local Economic Assessments
Population Data
Council Plan / Business Plans

Commissioned work and evidence
GBS LEP Evidence Base Report
High-Growth Firms and Mid-Sized Businesses and their Contribution to Employment in the Greater Birmingham and Solihull LEP - Aston University (with Marketing Birmingham)
SME Fast Growth Research - Labour Market Solutions (with Marketing Birmingham)
Key Sectors for Inward Investment - PA Consulting (with Marketing Birmingham)
Quarterly Economic Survey (with Birmingham Chamber of Commerce Group)

Existing / recent Regional Strategies and Evidence
West Midlands Regional Economic Strategy (AWM)
West Midlands Regional Spatial Strategy
Birmingham & Black Country City Region Strategy
Proposal to form the GBS LEP – submitted to Government on 6th September 2010
Birmingham Cultural Strategy

Thematic LEP support groups and sub-groups
Business Support Sub-Group
Access to Finance Sub-Group
LEP Employment and Skills Board
Strategic Transport Group
Housing and Economic Growth Group
Planning Sub Group
LEP Officer Steering Group
Creative City partnership

Appendix 2: Schedule of Abbreviations

Abbreviation:	Definition:
LEP	Local Enterprise Partnership
GBS LEP	Greater Birmingham & Solihull Local Enterprise Partnership
AMSCI	Advanced Manufacturing and Supply Chain Initiative
EZ	Enterprise Zone

EB	Enterprise Belt
LA	Local Authority
BCC	Birmingham City Council
DfT	Department for Transport
BIS	Department for Business, Innovation & Skills
HMT	Her Majesty's Treasury
CLG	Department for Communities & Local Government
DfE	Department for Education
DWP	Department for Work & Pensions
RES	(West Midlands) Regional Economic Strategy
RSS	(West Midlands) Regional Spatial Strategy

Appendix 3: Contact Details

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